



St. Lawrence High School



A Jesuit Christian Minority Institution

Answer Key 50

Sub: ACCOUNTANCY

Class 12

F.M. 15

Chapter: Unit 3

Date: 07/11/2020

Topic: Accounting for Share Capital

Choose the correct alternatives

1 x 15 = 15

1. Which one of the following are the types of company?
(a) public company; (b) private company; **(c) both public & private company;** (d) none of these
2. Share capital of a company can be classified in the following categories:
(a) equity shares; (b) preference shares; **(c) both equity & preference shares;** (d) none of these
3. In which type of share capital risk of the shareholders are high?
(a) equity shares; (b) preference shares; (c) both equity & preference shares; (d) none of these
4. Public issue of shares can be made under
(a) fixed price method; (b) book building method; (c) pure auction method; **(d) all of these**
5. _____ is a document that provides evidence of ownership of shares in a limited company
(a) advertisement; **(b) share certificate;** (c) underwriting commission; (d) all of these
6. In minimum subscription the minimum amount can be raised in the opinion of the
(a) shareholders; (b) managers; **(c) directors;** (d) creditors
7. Equity shares can be issued
(a) at par; (b) at a premium; (c) at a discount; **(d) both (a) & (b)**
8. Premium received by issue of equity shares must be transferred to
(a) capital reserve; (b) general reserve; **(c) security premium reserve;** (d) reserve fund
9. Issue price of shares can be received under the following instalments
(a) application; (b) allotment; (c) calls; **(d) all of these**
10. Issued capital cannot be more than
(a) subscribed capital; **(b) authorized capital;** (c) called up capital; (d) paid up capital
11. If shareholders cannot able to pay their instalment is known as
(a) calls in arrear; (b) calls in advance; (c) both (a) & (b); (d) none of these
12. As per Company Act 2013, security premium reserve can be disclosed under
(a) general reserve; (b) capital reserve; **(c) reserve & surplus;** (d) none of these
13. Excess application money can be
(a) refunded; (b) adjusted with allotment;
(c) adjusted with allotment & other instalments; **(d) all of these**
14. If shareholders cannot able to pay their instalment properly, the money so paid by them can be
(a) can be refunded; **(b) can be forfeited;** (c) both (a) & (b); (d) none of these
15. Profit on reissue of share must be transferred to
(a) general reserve; (b) revenue reserve; (c) capital redemption reserve; **(d) capital reserve**

Compiled by

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